

FISCAL NOTE

SB 3198 - HB 3197

February 19, 2008

SUMMARY OF BILL: Requires the Department of Health to phase in evidence-based standards within in-home visitation programs intended to improve the birth outcomes, health, and development of children from conception through age two to low-income mothers through FY2014. Any contract for services must require that the services provided are evidence-based except for services that are part of a pilot program. These requirements will be phased in starting in FY2011.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$110,500 FY10-11/One-Time
\$101,000 FY11-12, FY12-13, & FY13-14/One-Time
\$1,904,600 FY10-11
\$3,609,700 FY11-12
\$5,314,800 FY12-13
\$7,019,900 FY13-14
\$7,019,900 FY14-15 and Succeeding Years

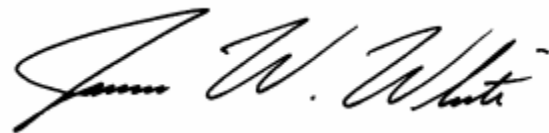
Assumptions:

- Due to the provisions of the bill, the Department of Health is required to ensure 25 percent of funds expended for low-income mothers in FY10-11 will meet the requirements of the bill; fifty (50) percent of funds expended for low-income mothers in FY11-12 will meet the requirements of the bill; seventy-five (75) percent of funds expended for low-income mothers in FY12-13 will meet the requirements of the bill; and 100 percent of funds expended for low-income mothers in FY13-14 will meet the requirements of the bill.
- According to Department of Health, the Nurse Family Partnership is the only evidence-based program that uses nurses in visits to low-income mothers. The Department used this program as an example to estimate the impact.
- For the program to be fully implemented, the Department will hire a total of 80 registered nurse 2 positions, 13 nurse supervisors, eight administrative secretaries and one epidemiologist by FY13-14.
- The total increase in expenditures for the 102 positions is \$7,433,312.

- These positions will result in an increase in one-time expenditures of \$313,500 which includes 22 computers and printers (\$38,100), and office set-ups (\$275,400).
- These positions will result in an increase in recurring expenditures of \$6,919,812 which includes salaries (\$4,149,120), benefits (\$1,452,192), administrative allocations (\$805,800), communications and networks (\$33,300), office leases (\$418,200) and supplies (\$61,200).
- The Department estimates a one-time increase in expenditures of \$100,000 for training materials and a recurring increase in expenditures of \$100,000 for continual training of staff.
- In FY10-11, the Department of Health will hire 25 percent of these positions and the epidemiologist resulting in one-time expenditures of \$110,500 and recurring expenditures of \$1,904,576. In fiscal years 2012, 2013, and 2014, the Department will hire an additional 25 percent of these positions resulting in an increase of one-time expenditures of \$101,000 and recurring expenditures of \$1,705,079 per year.
- Currently, the Department of Health HUGS program is funded through a contract with the Bureau of TennCare at a 50 percent federal match rate. Last year, the Department expended approximately \$6,800,000, of which \$3,400,000 was federally funded. It is unclear if the Department of Health can continue to contract through TennCare and meet the provisions of the bill. If the Department cannot, the \$3,400,000 in federal funds will shift to state funds by FY13-14. If the Department can expand the program as needed to meet the provisions of the bill and continue the contract through TennCare, the \$7,433,312 increase in expenditures would be funded with a 50 percent federal match.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/kml